

Arizona State Retirement System Bill Tracker
ASRS Related Legislation – 49th Legislature – Second Regular Session
(For week ending Friday, January 29, 2010)

BILL	BILL STATUS	ASRS ADMINISTRATIVE COST	ASRS ACTUARIAL IMPACT
HB 2065 – ASRS; long-term disability appeals Sponsor: Boone As Introduced: Permits a person appealing an ASRS decision under the LTD Program (usually a decision of an Administrative Law Judge) to request that the ASRS Board hear the appeal in Executive Session, rather than in a Public Hearing. The request must be made at least 48 hours in advance.	Status: 1/11 First Read 1/26 PERER DP 8-0 Next Stop: Rules	As Introduced: None expected.	As Introduced: None expected.
HB 2066 – ASRS; plan design Sponsor: Boone As Introduced: <ul style="list-style-type: none"> Modifies one of the Normal Retirement Date definitions from 80 to 85 points (age + years of service) for a member whose membership commences on or after July 1, 2011. Modifies the Average Monthly Compensation used in a retiring member's retirement benefit calculation from the average of the highest consecutive 36 months in the last 120 months to the average of the highest consecutive 60 months in the last 120 months for a member whose membership commences on or after July 1, 2011. Appropriates \$1,190,390 from the ASRS to the ASRS administration account. The appropriation is non-lapsing. 	Status: 1/11 First Read Next Stop: PERER	As Introduced: The ASRS projects that it will cost \$1,190,390 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.	As Introduced: First actuarial effect for contribution rate beginning July 1, 2012. By 2040 total contribution rate (ER + EE) savings of: Average Monthly Salary: 0.24%, peaking at 0.29% in FYs 2032-2034. Rule of 85: 0.29%, peaking at 0.35% in FY2036. Present Value of Savings: Average Monthly Salary: \$322M Rule of 85: \$295M Total: \$617M Projection based on no growth—savings will be higher if there is an increase in the active workforce.

BILL	BILL STATUS	ASRS ADMINISTRATIVE COST	ASRS ACTUARIAL IMPACT
<p>HB 2389 – ASRS; plan design; refunds Sponsor: Boone As Introduced: <u>Plan Design</u></p> <ul style="list-style-type: none"> Modifies one of the Normal Retirement Date definitions from 80 to 85 points (age + years of service) for a member whose membership commences on or after July 1, 2011. Modifies the Average Monthly Compensation used in a retiring member's retirement benefit calculation from the average of the highest consecutive 36 months in the last 120 months to the average of the highest consecutive 60 months in the last 120 months for a member whose membership commences on or after July 1, 2011. Eliminates ER contribution refunds for a member hired on or after July 1, 2011 except for a member who was terminated due to an Employer Reduction in Force or position elimination in which case the member will receive the current refund vesting schedule. <p><u>Long-Term Disability Program Appeals</u></p> <ul style="list-style-type: none"> Permits a person appealing an ASRS decision under the LTD Program (usually a decision of an Administrative Law Judge) to request that the ASRS Board hear the appeal in Executive Session, rather than in a Public Hearing. The request must be made at least 48 hours in advance. <p><u>Miscellaneous and Conforming Changes</u></p> <ul style="list-style-type: none"> Makes changes required by the Internal Revenue Service regarding updated I.R.C. §415 Compensation Regulations and military differential wage payments from the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act). Appropriates \$1,341,722 from the ASRS to the ASRS administration account. The appropriation is non-lapsing. 	<p>Status: 1/25 First Read Next Stop: 2/2 PERER</p>	<p>As Introduced: The ASRS projects that it will cost \$1,341,722 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.</p>	<p>As Introduced: First actuarial effect for contribution rate beginning July 1, 2012.</p> <p>By 2040 total contribution rate (ER + EE) savings of: Average Monthly Salary: 0.24%, peaking at 0.29% in FYs 2032-2034. Rule of 85: 0.29%, peaking at 0.35% in FY2036. Refunds: 0.16%, peaking at 0.39% in FYs 2024-2026.</p> <p>Present Value of Savings: Average Monthly Salary: \$322M Rule of 85: \$295M Refunds: \$353M Total: 953M</p> <p>Projection based on no growth—savings will be higher if there is an increase in the active workforce.</p>

BILL	BILL STATUS	ASRS ADMINISTRATIVE COST	ASRS ACTUARIAL IMPACT
HB 2390 – ASRS; return to work Sponsor: Boone As Introduced: <ul style="list-style-type: none"> Beginning July 1, 2011, requires employers to pay an Alternate Contribution Rate (ACR) for members who return to work in any capacity and in a position ordinarily filled by an employee of the employer. The ACR will be paid for as long as that member stays in service and for any future employment periods during which the member does not suspend their benefits and resume active membership. The ACR will be calculated as the greater of 2% or two times the “deficit” payment (the Employer ASRS Past Service Funding Requirement Rate plus the Employer LTD Past Service Funding Requirement Rate). The ACR will be calculated annually by the ASRS actuary, and shall be payable on the compensation, leasing fee, or independent contracting fee paid by the employer. The ASRS will determine how the ACR is paid and submitted to the ASRS. Late contributions will be subject to interest (8%) and may be recovered in court. Employers are required to submit data and reports as required by the ASRS to determine compensation of leased and contract retirees and the usage of the return to work program. Appropriates \$150,000 from the ASRS to the ASRS administration account. The appropriation is non-lapsing. 	Status: 1/25 First Read Next Stop: PERER	As Introduced: The ASRS projects that it will cost \$150,000 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.	As Introduced: TBD.
HB 2391 – ASRS; eighty-five points Sponsor: Boone As Introduced: Modifies one of the Normal Retirement Date definitions from 80 to 85 points (age + years of service) for a member whose membership commences on or after July 1, 2011.	Status: 1/25 First Read 1/26 PERER DP 8-0 Next Stop: Rules	As Introduced: The ASRS projects that it will cost \$346,071 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.	As Introduced: First actuarial effect for contribution rate beginning July 1, 2012. By 2040 total contribution rate (ER + EE) savings of: Rule of 85: 0.29%, peaking at 0.35% in FY2036. Present Value of Savings: \$295M Projection based on no growth—savings will be higher if there is an increase in the active workforce.

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<p>HB 2404 – ASRS; average monthly compensation Sponsor: Boone</p> <p>As Introduced: Modifies the Average Monthly Compensation used in a retiring member's retirement benefit calculation from the average of the highest 36 months in the last 120 months to the average of the highest 60 months in the last 120 months for a member whose membership commences on or after July 1, 2011.</p>	<p>Status: 1/25 First Read 1/26 PERER DP 8-0 Next Stop: Rules</p>	<p>As Introduced: The ASRS projects that it will cost \$763,319 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.</p>	<p>As Introduced: First actuarial effect for contribution rate beginning July 1, 2012.</p> <p>By 2040 total contribution rate (ER + EE) savings of: Average Monthly Salary: 0.24%, peaking at 0.29% in FYs 2032-2034.</p> <p>Present Value of Savings: \$322M.</p> <p>Projection based on no growth—savings will be higher if there is an increase in the active workforce.</p>
<p>SB 1083 – ASRS; amendments Sponsors: Tibshraeny, Huppenthal: Verschoor, Burges</p> <p>As Introduced: <u>Plan Design</u></p> <ul style="list-style-type: none"> Modifies one of the Normal Retirement Date definitions from 80 to 85 points (age + years of service) for a member whose membership commences on or after July 1, 2011. Modifies the Average Monthly Compensation used in a retiring member's retirement benefit calculation from the average of the highest consecutive 36 months in the last 120 months to the average of the highest consecutive 60 months in the last 120 months for a member whose membership commences on or after July 1, 2011. Allows a member with five or more years of service to receive 25% of employer contributions upon termination of employment (by other than death or disability) for a member whose membership commences on or after July 1, 2011. For a member who was terminated due to an Employer Reduction in Force or position elimination in which case the member will receive the current refund vesting schedule. <p><u>Return to Work</u></p> <ul style="list-style-type: none"> Beginning July 1, 2011, requires employers to pay an Alternate Contribution Rate (ACR) for members who return to work in any capacity and in a position ordinarily filled by an employee of the employer. The ACR will be paid for as long as that member stays in 	<p>Status: 1/14 First Read 1/28 GOVIN DP 4-3-1 Next Stop: Rules</p>	<p>As Introduced: The ASRS projects that it will cost \$1,491,722 to implement these changes, which represents the costs of computer programming, staff and employer training, forms development and distribution, website updates, and member communications.</p>	<p>As Introduced: First actuarial effect for contribution rate beginning July 1, 2012.</p> <p>By 2040 total contribution rate (ER + EE) savings of: Average Monthly Salary: 0.24%, peaking at 0.29% in FYs 2032-2034. Rule of 85: 0.29%, peaking at 0.35% in FY2036. Refunds: 0.11%, peaking at 0.27% in FYs 2024-2027.</p> <p>Present Value of Savings: Average Monthly Salary: \$322M Rule of 85: \$295M Refunds: \$231M Total: \$822M (combined savings less than individual savings)</p> <p>Projection based on no growth—savings will be higher if there is an increase in the active workforce.</p>

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<p>service and for any future employment periods during which the member does not suspend their benefits and resume active membership.</p> <ul style="list-style-type: none"> • The ACR will be calculated as the greater of 2% or two times the “deficit” payment (the Employer ASRS Past Service Funding Requirement Rate plus the Employer LTD Past Service Funding Requirement Rate). • The ACR will be calculated annually by the ASRS actuary, and shall be payable on the compensation, leasing fee, or independent contracting fee paid by the employer. • The ASRS will determine how the ACR is paid and submitted to the ASRS. Late contributions will be subject to interest (8%) and may be recovered in court. • Employers are required to submit data and reports as required by the ASRS to determine compensation of leased and contract retirees and the usage of the return to work program. <p><u>Long-Term Disability Program Appeals</u></p> <ul style="list-style-type: none"> • Permits a person appealing an ASRS decision under the LTD Program (usually a decision of an Administrative Law Judge) to request that the ASRS Board hear the appeal in Executive Session, rather than in a Public Hearing. The request must be made at least 48 hours in advance. <p><u>Miscellaneous and Conforming Changes</u></p> <ul style="list-style-type: none"> • Makes changes required by the Internal Revenue Service regarding updated I.R.C. §415 Compensation Regulations and military differential wage payments from the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act). • Appropriates \$1,491,722 from the ASRS to the ASRS administration account. The appropriation is non-lapsing. 			

BILL	BILL STATUS	ASRS ADMINISTRATIVE COST	ASRS ACTUARIAL IMPACT
HB 2067 – PSRSP; omnibus amendments Sponsor: Boone As Amended in PERER: <ul style="list-style-type: none"> Establishes PSPRS as a jural entity that can sue and be sued. Clarifies the definition of “Eligible Child.” Clarifies the definition of “Member” to account for employees who work fluctuating hours each week. Limits service to 12 months per year. Clarifies surviving spouse and child benefits. Modifies Local Board procedures. Permits the Fund Manager to comingle assets and plans in one or more group trust. Permits the Fund Manager to settle litigation. Eliminates the requirement that the Fund Manager submit a detailed statement of investments bought and sold during the year in an annual report. Clarifies that investment contracts are not state or government procurements but rather contracts concerning interests in securities. Requires an employer to notify the Fund Manager of any reemployments, and permits the Fund Manager to suspend pension payments until records are received from the employer. Expands purchasing service to prior service worked for a corporation that provided firefighting services for a political subdivision of the state. Makes other technical and conforming changes. 	Status: 1/13 First Read 1/19 PERER HELD 1/26 PERER DPA 8-0 Next Stop: Rules	As Amended: None expected.	As Amended: None expected.

BILL	BILL STATUS	ASRS ADMINISTRATIVE COST	ASRS ACTUARIAL IMPACT
<p>HB 2068 – EORP; omnibus amendments</p> <p>Sponsor: Boone</p> <p>As Introduced:</p> <ul style="list-style-type: none"> • Clarifies that “Credited Service” does not include time when an active member is uncompensated by an ER and contributions are not made. • Adds a definition of “Eligible Child.” • Adds a definition of “Employer,” retroactive to Aug 7, 1985. • Establishes EORP as a jural entity that can sue and be sued. • Limits service to 12 months per year. • Clarifies surviving spouse and child benefits. • Permits a court to order restitution from benefits due from the Plan for theft, embezzlement, fraud or misappropriation of an ER’s property. • Creates, as a class 1 misdemeanor, a crime if a person who knowingly defrauds the Plan. • Permits the Plan to correct errors and adjust payments to be actuarially equivalent. • States that a member who is convicted of knowingly defrauding the Plan is only entitled to a lump sum distribution of the member’s contributions and that the person forfeits future benefits. • Removes language relating to the expired Rural Subsidy. • Makes other technical and conforming changes. 	<p>Status: 1/13 First Read 1/19 PERER DP 6-0-0-2 Next Stop: Rules</p>	<p>As Introduced: None expected.</p>	<p>As Introduced: None expected.</p>

BILL	BILL STATUS	ASRS ADMINISTRATIVE COST	ASRS ACTUARIAL IMPACT
HB 2209 – public meetings; notices Sponsors: Reagan: Tobin As Amended in House COM: <ul style="list-style-type: none"> Requires the Secretary of State or city or county clerk to “conspicuously post” open meeting law materials on their website. Requires a person elected or appointed to a public body to review open meeting law materials at least one day prior to taking office. Requires public bodies to “conspicuously post” on their website 1) a notice stating both the physical and electronic locations of public meeting notices and 2) all public meeting notices. Requires all state agencies to publish the employees designated to assist the public in seeking information from the agency. Makes other technical and conforming changes. 	Status: 1/19 First Read 1/20 COM DPA 8-0 Next Stop: Rules	As Amended: None expected.	As Amended: None expected.
HB 2214 – interstate affiliations; legislative approval Sponsor: Biggs As Introduced: Prohibits a state officer or state employee from participating in any interstate institution or affiliation without the approval of the Legislature by Legislative enactment.	Status: 1/20 First Read Next Stop: PERER	As Introduced: TBD.	As Introduced: TBD.
HB 2301 – agencies; fund sources; expenditures; report Sponsors: Crump, Seel, Stevens: Antenori, Barto, Hendrix, Jones, Kavanagh, Lesko, Montenegro As Introduced: Requires each budget unit to submit a monthly report to JLBC (or post daily online) with detailed information regarding sources of monies, the purposes for expenditure, and caseloads for each population for which the monies are intended to provide services.	Status: 1/19 First Read 1/26 GOV DP 8-0-0-1 Next Stop: Rules	As Introduced: TBD.	As Introduced: TBD.
HB 2340 – government; grant of public monies Sponsors: Antenori: Burges, Court As Introduced: Prohibits a public entity from awarding, granting, or appropriating any money to a private entity without complying with the Procurement or Grant Codes, or a similar public bidding process.	Status: 1/19 First Read 1/26 GOV HELD Next Stop: GOV	As Introduced: TBD.	As Introduced: TBD.

BILL	BILL STATUS	ASRS ADMINISTRATIVE COST	ASRS ACTUARIAL IMPACT
HB 2341 – defined contribution retirement system Sponsors: Antenori, Gowan: Crump Goodale, Montenegro, Seel, Stevens, Weiers JP As Introduced: Prohibits new employees from participating in the ASRS as of January 1, 2011 and establishes the Arizona State Defined Contribution Retirement System as the sole retirement Plan for new employees.	Status: 1/25 First Read Next Stop: PERER	As Introduced: TBD.	As Introduced: TBD.
HB 2387 – public records; name redaction Sponsor: Boone As Introduced: Permits an “officer” (defined) to remove the name, address, telephone number and e-mail address of the sending party of an e-mail before disclosing the e-mail as a public record.	Status: 1/19 First Read Next Stop: GOV	As Introduced: None expected.	As Introduced: None expected.
HB 2388 – PSPRS; fund manager; membership; term Sponsor: Boone As Introduced: Increases the membership of the PSPRS Fund Manager from five to seven members (additional local board representative and public member) and increases the term from three to five years.	Status: 1/25 First Read Next Stop: 2/2 PERER	As Introduced: None expected.	As Introduced: None expected.
HB 2478 – PSPRS; local board composition Sponsor: Konopnicki As Introduced: Permits the head of the merit system to designate the local board member from other members of the merit system.	Status: 1/21 First Read Next Stop: PERER	As Introduced: None expected.	As Introduced: None expected.
SB 1004 – retirement systems and plans; amendments Sponsor: Tibshraeny As Introduced: Makes changes relating to domestic relations orders, generally with respect to duties of third parties to maintain updated address information with EORP, PSPRS, or CORP.	Status: 1/11 First Read 1/21 GOVIN DP 8-0 1/25 Rules PFC 1/26 Maj & Min Caucus HELD Next Stop: Caucus	As Introduced: None expected.	As Introduced: None expected.
SB 1005 – PSPRS; ordinary disability; eliminate offset Sponsor: Tibshraeny As Introduced: Eliminates the ability for an ordinary disability to be reduced or suspended if the member works and earns more than the amount of their disability benefit.	Status: 1/11 First Read 1/21 GOVIN HELD Next Stop: GOVIN	As Introduced: None expected.	As Introduced: None expected.

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SB 1006 – PSPRS; fund manager; name change Sponsor: Tibshraeny As Introduced: Changes the name of the governing entity of PSPRS from “Fund Manager” to “Board” or “Board of Trustees” and clarifies duties where applicable.	Status: 1/11 First Read 1/21 GOVIN DP 8-0 Next Stop: 2/1 Rules	As Introduced: None expected.	As Introduced: None expected.
SB 1020 – government service contracts; Arizona preference Sponsor: Pearce As Introduced: Requires a competitive contract to be awarded to an AZ resident if the bid is less than 5% greater than a competing bid and the resident has paid required AZ taxes for 2 years prior to the bid.	Status: 1/11 First Read Next Stop: GOVIN	As Introduced: TBD.	As Introduced: None expected.
SB 1124 – CORP; reverse DROP; extension Sponsor: Melvin As Introduced: Extends the reverse DROP an additional five years until June 30, 2016.	Status: 1/19 First Read Next Stop: GOVIN	As Introduced: None expected.	As Introduced: None expected.
SB 1291 – EORP; participation; elected officials Sponsor: McCune Davis As Introduced: Modifies term-limited elected officials’ retirement plan membership by making participation voluntary on the part of an official who has 20+ years of credited service. The elected official may elect to participate in EORP or may elect to participate in ASRS. [Note: there are already ways for an official to either not participate in EORP or elect ASRS membership instead. This bill would default the 20+ official to no retirement plan coverage and require and election to opt-in.]	Status: Not yet first read	As Introduced: None expected.	As Introduced: TBD.

Executive Nominations

Nominee	Standing Committee	Caucus	Floor
Michael Townsend	1/11 Referred to GOVIN 1/21 GOVIN DP 6-2	1/26 Maj & Min Caucus Y	1/28 Senate Confirmed

GUIDE TO ACRONYMS

AHCCCS	Arizona Health Care Cost Containment System	HMLR	Healthcare and Medical Liability Reform Committee (Sen)
AOC	Administrative Office of the Courts	HHR	House Hearing Room
APPROP	Appropriations Committee (Hse & Sen)	HHS	Health and Human Services Committee (Hse)
ARS	Arizona Revised Statutes	Hse	House of Representatives
ASRS	Arizona State Retirement System	JUD	Judiciary Committee (Hse & Sen)
B&I	Banking and Insurance Committee (Hse)	LTD	Long Term Disability
CC	Conference Committee	Maj	Majority
C&P	Constitutional and Proper	MAPS	Military Affairs and Public Safety Committee (Hse)
C&PA	Constitutional and Proper as Amended by the House Rules Committee	Min	Minority
CED	Commerce and Economic Development Committee (Sen)	NRIPD	Natural Resources, Infrastructure and Public Debt Committee (Sen)
COM	Commerce Committee	NRRA	Natural Resources and Rural Affairs (Hse)
CORP	Corrections Officer Retirement Plan	PERER	Public Employees, Retirement and Entitlement Reform Committee (Hse)
COW	Committee of the Whole	PFC	Proper for Consideration
DHS	Department of Health Services	PFCA	Proper for Consideration as Amended by the Senate Rules Committee
DOC	Arizona Department of Corrections	PSHS	Public Safety and Human Services Committee (Sen)
DP	Do Pass	PSPRS	Public Safety Personnel Retirement System
DPA	Do Pass as Amended	RTW	Return to Work
DROP	Deferred Retirement Option Plan	SB	Senate Bill
EAR	Education, Accountability and Reform Committee (Sen)	S/E	Strike Everything Amendment
ED	Education Committee (Hse)	Sen	Senate
EE	Employee	SHR	Senate Hearing Room
EGTRRA	Economic Growth and Tax Relief Reconciliation Act of 2001	T&I	Transportation and Infrastructure Committee (Hse)
EORP	Elected Officials' Retirement Plan	TBD	To Be Determined
ENVIRON	Environment Committee (Hse)	UAAL	Unfunded Actuarial Accrued Liability
ER	Employer	VMA	Veterans and Military Affairs Committee (Sen)
FIN	Finance Committee (Sen)	W&E	Water and Energy Committee (Hse)
GF	General Fund	W&M	Ways and Means Committee (Hse)
GOVIN	Government Institutions Committee (Sen)		
GOV	Government Committee (Hse)		
HB	House Bill		

If you have questions regarding ASRS legislation, please contact
ASRS Government Relations Officer
Lesli Sorensen at (602) 240-2027 or via email at LesliS@azasrs.gov